

Equal Business Opportunity Program: Supplemental Report

FY 2008 Annual Report



Minority Business Development Office

EXECUTIVE SUMMARY

On July 30, 2009, City Council members requested additional data and clarification to information provided during the Minority Business Development Office's (MBD) Annual Report on the Equal Business Opportunity Program. The presentation was the 1st annual report under Ordinance 2008-89. Ordinance 2008-89 requires developing Diversity Management Information System (DMI) reports which delineate utilization of Small Local Business Enterprises (SLBE) and Women/Minority Business Enterprises (WMBE) on the basis of total procurement, total dollars awarded and payments. The Ordinance has two main components, the SLBE Program and the WMBE Program.

The SLBE Program is the primary initiative and open to all independently owned small businesses including WMBEs that have operated for a minimum of one year and met the business size standards and gross receipt limits. The program is race and gender-neutral, with an emphasis on small businesses in the Tampa Bay area. Also, the business owner must have permanent residence in Florida and the company must be domiciled in the SLBE Market area (Hillsborough, Pinellas, Polk, Pasco, Manatee). The second component is the WMBE Program which is ethnic and gender based, and requires a legal basis that is predicated on multi-year statistical evidence of disparity. Should it be determined that disparity exists for a given group, the Ordinance includes provisions that may allow use of mandatory WMBE participation goals. However, the remedies must be specific to the disparity found (i.e. narrowly tailored).

The SLBE and WMBE Program initiatives currently implemented are based on findings in the Disparity Study completed in 2007. The Study revealed there was no disparity in subcontracting to WMBEs; however, disparity was documented in the area of prime contracting. The Study concluded there was no legal justification for a mandatory ethnic and gender based program. In order to implement mandatory ethnic and gender-based initiatives, it will require meeting the legal standard of disparity. If audit findings show disparity, any remedies must be narrowly tailored.

The key provisions of Ordinance 2008-89 are:

- Administration of SLBE and WMBE certifications
- SLBE Subcontracting
- SLBE Sheltered Market Procurement
- WMBE narrowly-tailored remedies when authorized by law
- DMI Reporting Requirements
- Designation of Small Local Business Market area

The City of Tampa is in compliance with the strict judicial guidelines and standards that now apply to local government SLBE and WMBE contracting programs. In this regard, the MBD Office has enacted several new business processes that ensure comprehensive data collection, enhanced automation, and improved report methodology. Some of the

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September 2009

expanded data elements included SLBE prime and subcontract data, and WMBE prime and subcontract data. At the prime and subcontract levels, data was sorted into five (5) industry categories:

- Construction
- Construction-Related Services
- Professional Services
- Non-Professional Services
- Goods

MBD completed its first fiscal year report (FY 2008) analyzing procurement within the five industry categories using DMI methodologies consistent with best practices and judicial guidelines. The annual report analyzed a one-year period of contract activity. MBD analyzes availability and utilization based on fiscal year, contracts awarded, and actual payments received by prime and subcontractors.

Key utilization results by industry category were as follows:

- For contracts under \$500,000, Hispanic Americans met target threshold in Construction-Related Services, Non-Professional Services, and Goods
- For contracts under \$25,000, Hispanic Americans met target threshold in Goods, and Caucasian Females met target threshold in Construction-Related Services
- For subcontracts, Asian Americans and Caucasian Females met target threshold in Construction; African Americans, Hispanic Americans, and Caucasian Females met target in Non-Professional Services; Hispanic Americans met target in Goods

The following steps detail the processes required for WMBE Program policy changes:

- Record and evaluate the availability and utilization of all vendors using ten (10) ethnic and gender classifications
- DMI compilation of contract and subcontract awards and payment information
- Pursuant to legal standards collecting three (3) to five (5) years of data
- Compose DMI reports to determine disparity by ethnic and gender classifications in the five (5) industry categories
- If the DMI report analysis concludes that disparity does not exist, the City will continue SLBE Program as primary initiative
- When DMI statistical analysis concludes disparity exist, a legal review is required
- When a legal basis provides for corrective action to the disparity, narrowly-tailored race and gender-based remedies (mandatory WMBE program) may be enacted

In summary, key results and highlights of the first annual report (FY 2008) were:

- MBD Office developed and implemented city-wide new business practices
- MBD Office implemented DMI Processes to track and analyze data
- MBD Office documented one (1) year of data by five (5) industry categories
- One (1) year of WMBE data is insufficient for race and gender-based mandates
- WMBE mandates require multiple years of data, and documented disparity to support a legal basis for narrowly-tailored remedies

Question & Answer Reference

This overview provides a brief description of the questions (Q) and MBD's answers (A). Additionally, this Section references the page number reflecting a detailed breakout of the supporting data.

Q 1: *How many prime contracts exceeded \$200,000?*

A 1: 132 contracts and \$54,489,611 in payments. WMBE Participation: \$4,794,731 or 8.80%. See Table 1 (Page 7).

Q 2: *How many prime contracts exceeded \$500,000?*

A 2: 60 contracts and \$45,831,789 in payments. WMBE Participation: \$3,030,086 or 6.61%. See Table 2 (Page 8).

Q 3: *What was the percentage of payments received by WMBEs in the five industry categories?*

A 3: Total WMBE Participation: \$6,201,145 or 9.10%. Tables 3 – 7 (Pages 9 – 13).

Q 4: *Why is \$200,000 the threshold for the Sheltered Market Program?*

A 4: The primary reason for the \$200,000 threshold is based on the exemptions per Florida Statutes. According to Chapter 255.05(1) (a) of the Florida State Statutes, any entity entering into a local government contract worth \$200,000 or less may be exempt from a performance bond. Secondly, this threshold affords SLBEs to perform City work as a prime. This initiative increases the pool of SLBEs and their capacity to bid.

Q 5: *How may the City maximize opportunities through the Sheltered Market Program?*

A 5: Prior to enactment of Ordinance 2008-89, the City did not require subscription to DemandStar. Only 22% of SLBEs and WMBEs were registered before implementation of this business practice. The City negotiated with Onvia's DemandStar to issue free subscription for notifications of Tampa City quotes or bids. Additionally, MBD and Purchasing coordinated the use of uniformed commodity coding using (NIGP) system, allowing accurate identification of vendor services. The expansion of the Sheltered Market Program in Construction Related Services (CCNA) has increased utilization through the Work Order Agreement process.

Q 6: *What, if any, strategies does the City have in place to improve participation in contracts \$25,000 or less?*

A 6: Optimizing the application of QuoteWire enables the City to target only SLBEs for qualifying contract opportunities. This enhances MBD's outreach capabilities as well as increasing notification to prime SLBE vendors. The City can now assign to the Sheltered Market Program specific projects \$25,000 or less. This new business practice ensures full access to all quotes and RFPS not formally advertised. Prior to mandating the use of Quote Wire, few opportunities were made available to SLBEs. See Tables 21 – 22 (Page 27).

Q 7: *How may the City of Tampa enhance the Sheltered Market Program?*

A 7: MBD is maximizing opportunities through new business processes and best practices. MBD and Purchasing require Department buyers to place on Quote Wire all quotes estimated between \$2,000 and \$24,999.99 (informal bids). SLBE and WMBE utilization has increased by 3.3%. Additionally, reviewing quotes between the same ranges where there are, at minimum, three (3) certified SLBEs allows exclusive solicitations for SLBEs. See Tables 21 – 22 (Page 27).

Q 8: *What are the similarities/differences in report methodology and analysis of contract data produced by MBD versus Purchasing?*

A 8: The Purchasing Department and the MBD Office analyze comparable data; however, it is the methodologies for the use of reporting data that significantly differ. Each purchase order in the Purchasing Department is counted as one contract. MBD combines multiple purchase orders that are applied to a single contract. For example, the Museum of Art project consists of multiple purchase orders; however, MBD would count all the purchase orders as a single contract compared to the Purchasing Department which counts each purchase order as a single contract. The number of purchase orders typically exceeds 30,000 annually. Conversely, in FY 2008, the MBD Office counted 3,281 contracts. MBD and the Purchasing Department report expenditures differently. MBD only counts expenditures that relate to new awards for a specific reporting period. The Purchasing Department counts all purchase orders awarded for the same specific reporting period (e.g., Fiscal Year).

Q 9: *What is the breakdown of certified firms in the WMBE Program?*

A 9: In FY 2008, there were 671 WMBE certifications. The number varies within the industry categories. Construction-Related Services has 56 WMBE certifications. See Tables 8 - 12 (Pages 14 - 18).

Q 10: *What is the breakdown of certified firms in the SLBE Program?*

A 10: In FY 2008, there were 348 SLBE certifications. See Tables 13-17 (Pages 19–23).

Q 11: *What has been the contract performance under the Sheltered Market Policy?*

A 11: In FY 2008, there were twenty (20) Sheltered Market projects awarded to SLBEs, totaling \$1,119,030.00. Of that amount, WMBEs performed in 11 projects and received \$775,030 (69.26%). See Table 18 (Pages 24).

Q 12: *What is the number of firms certified both as SLBE and WMBE?*

A 12: There were 273 firms with both SLBE and WMBE certifications. See Table 19 (Page 25).

Q 13: *What is the prime participation breakdown and dollar amount in Construction-Related Services?*

A 13: 132 contracts and \$10,171,925 in payments. See Table 20 (Page 26).

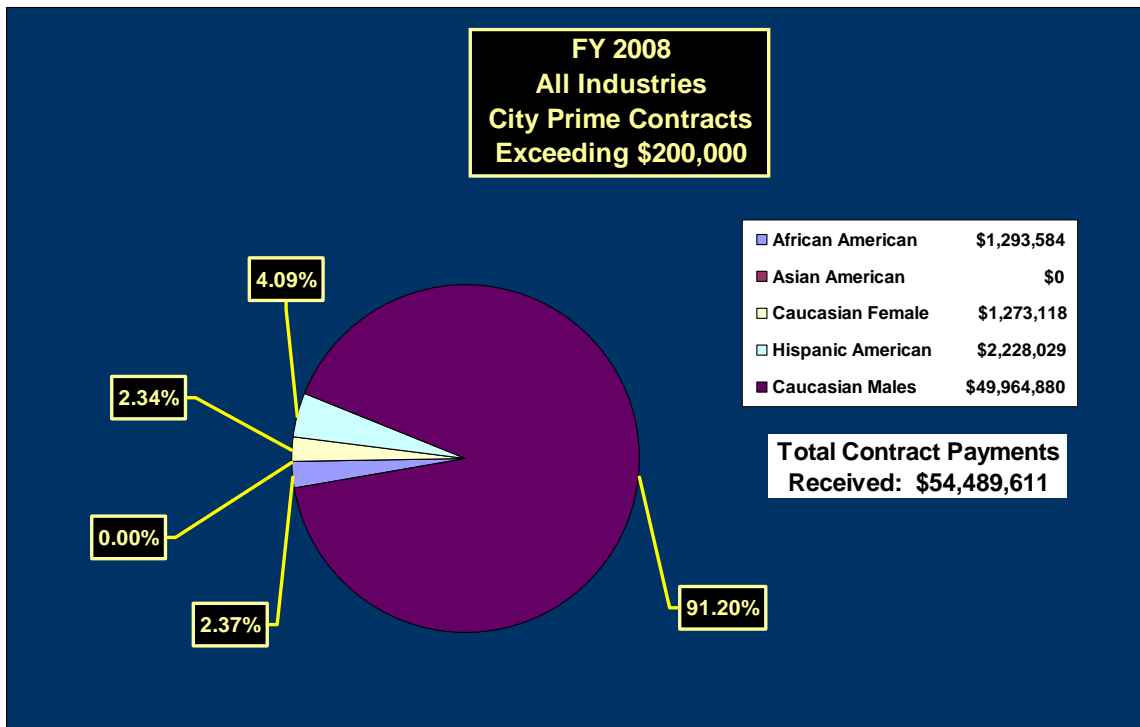
Q 1: *How many prime contracts exceeded \$200,000?*

A 1: Table 1. 132 contracts and \$54,489,611 in contract payments exceeded \$200,000. Total WMBE Participation: \$4,794,731 or 8.80%.

| | |
|--------------------------------|-----------------------|
| 2 African American contracts | \$1,293,584 (2.37%) |
| 13 Hispanic American contracts | \$2,228,029 (4.09%) |
| 3 Caucasian Female contracts | \$1,273,118 (2.34%) |
| 1 Asian American contract | \$0 (0.00%) |
| 113 Caucasian Male contracts | \$49,964,880 (91.20%) |

Native Americans did not receive any contracts or payments

Table 1



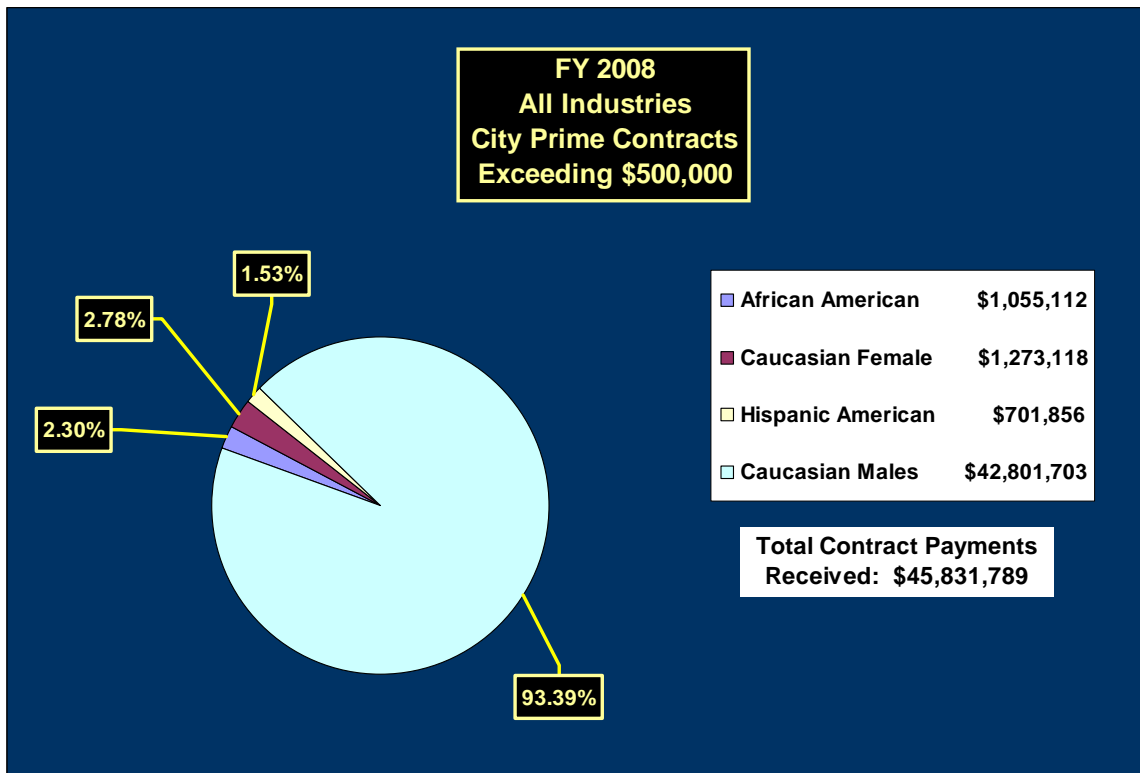
Q 2: *How many prime contracts exceeded \$500,000?*

A 2: Table 2. 60 contracts and \$45,831,789 in contract payments exceeded \$500,000. Total WMBE Participation: \$3,030,086 or 6.61%.

| | |
|-------------------------------|-----------------------|
| 1 African American contract | \$1,055,112 (2.30%) |
| 2 Hispanic American contracts | \$701,856 (1.53%) |
| 3 Caucasian Female contracts | \$1,273,118 (2.78%) |
| 54 Caucasian Male contracts | \$42,801,703 (93.39%) |

Asian Americans and Native Americans did not receive any contracts

Table 2



Q 3: *What was the percentage of payments received by WMBEs in the five industry categories?*

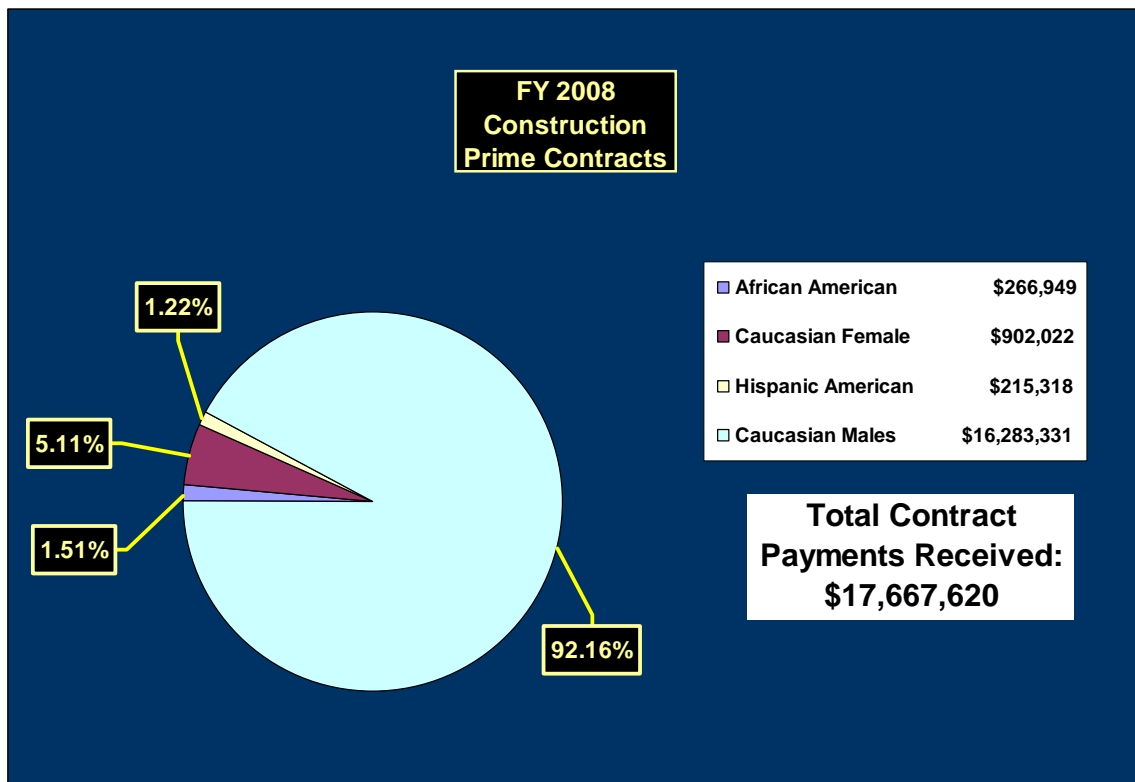
A 3: See Table 3.

Total payments received for Prime Construction Contracts: \$17,667,620. Total WMBE Participation: \$1,384,289 or 7.84%.

| | |
|--------------------|-----------------------|
| African Americans | \$266,949 (1.51%) |
| Hispanic Americans | \$215,318 (1.22%) |
| Caucasian Females | \$902,022 (5.11%) |
| Caucasian Males | \$16,283,331 (92.16%) |

Asian Americans and Native Americans did not receive payments

Table 3



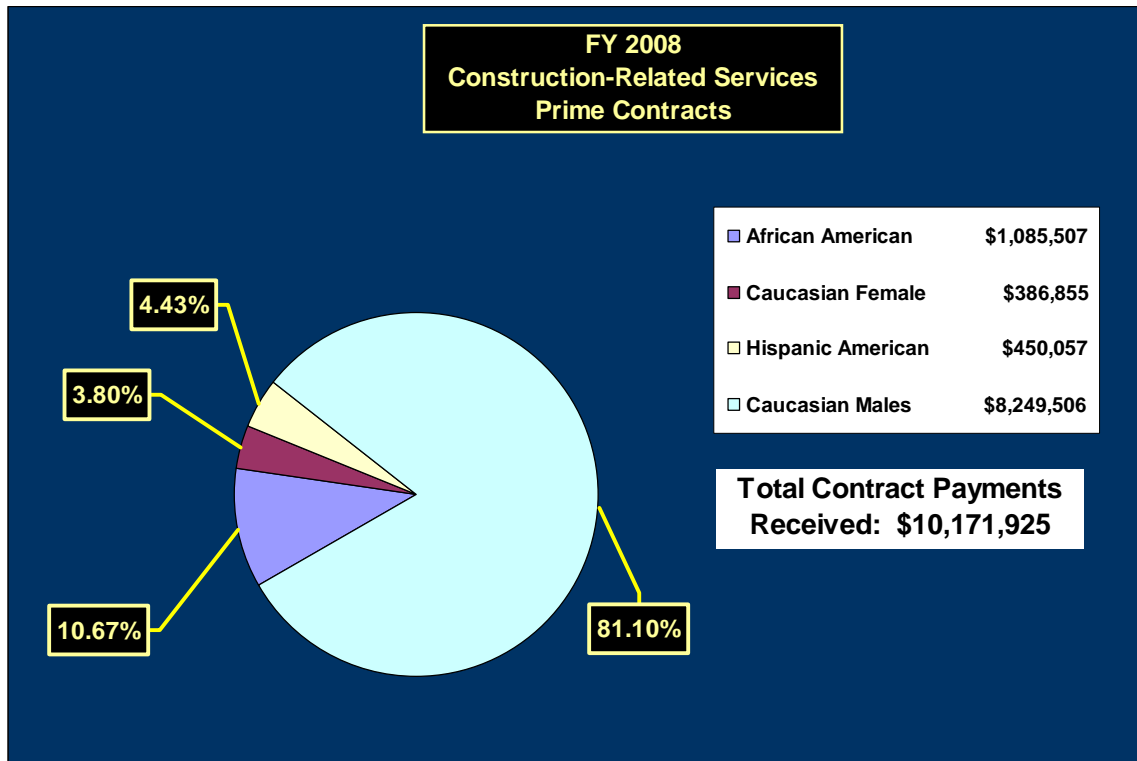
A 3: Continued (See Table 4)

Total payments received for Prime Construction-Related Services Contracts: \$10,171,925. Total WMBE Participation: \$1,922,419 or 18.90%.

| | |
|--------------------|----------------------|
| African Americans | \$1,085,507 (10.67%) |
| Hispanic Americans | \$450,057 (4.43%) |
| Caucasian Females | \$386,855 (3.80%) |
| Caucasian Males | \$8,249,506 (81.10%) |

Asian Americans and Native Americans did not receive payments

Table 4



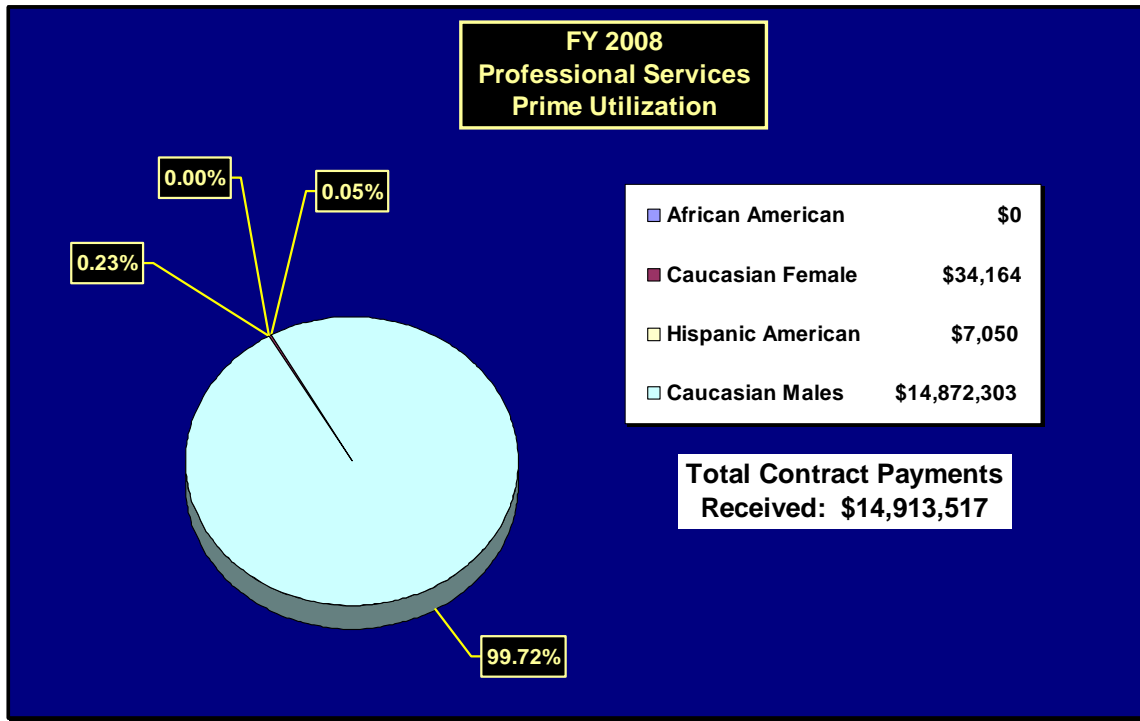
A 3: Continued (See Table 5)

Total payments received for Prime Professional Services Contracts: \$14,913,517.
Total WMBE Participation: \$41,214 or 0.28%.

| | |
|--------------------|-----------------------|
| Caucasian Females | \$34,164 (0.23%) |
| Hispanic Americans | \$7,050 (0.05%) |
| Caucasian Males | \$14,872,303 (99.72%) |

African Americans, Asian Americans, and Native Americans did not receive payments

Table 5



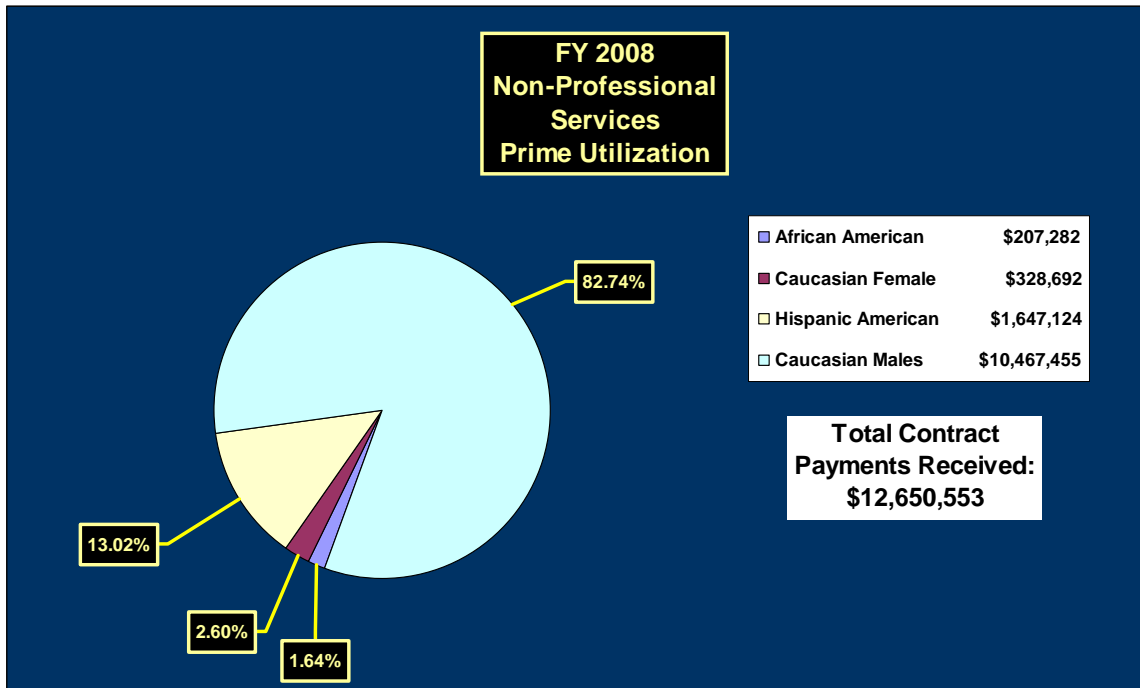
A 3: Continued (See Table 6)

Total payments received for Prime Non-Professional Services Contracts: \$12,650,553. Total WMBE Participation: \$2,183,098 or 17.26%.

| | |
|--------------------|-----------------------|
| Hispanic Americans | \$1,647,124 (13.02%) |
| Caucasian Females | \$328,692 (2.60%) |
| African Americans | \$207,282 (1.64%) |
| Caucasian Males | \$10,467,455 (82.74%) |

Asian Americans and Native Americans did not receive payments

Table 6



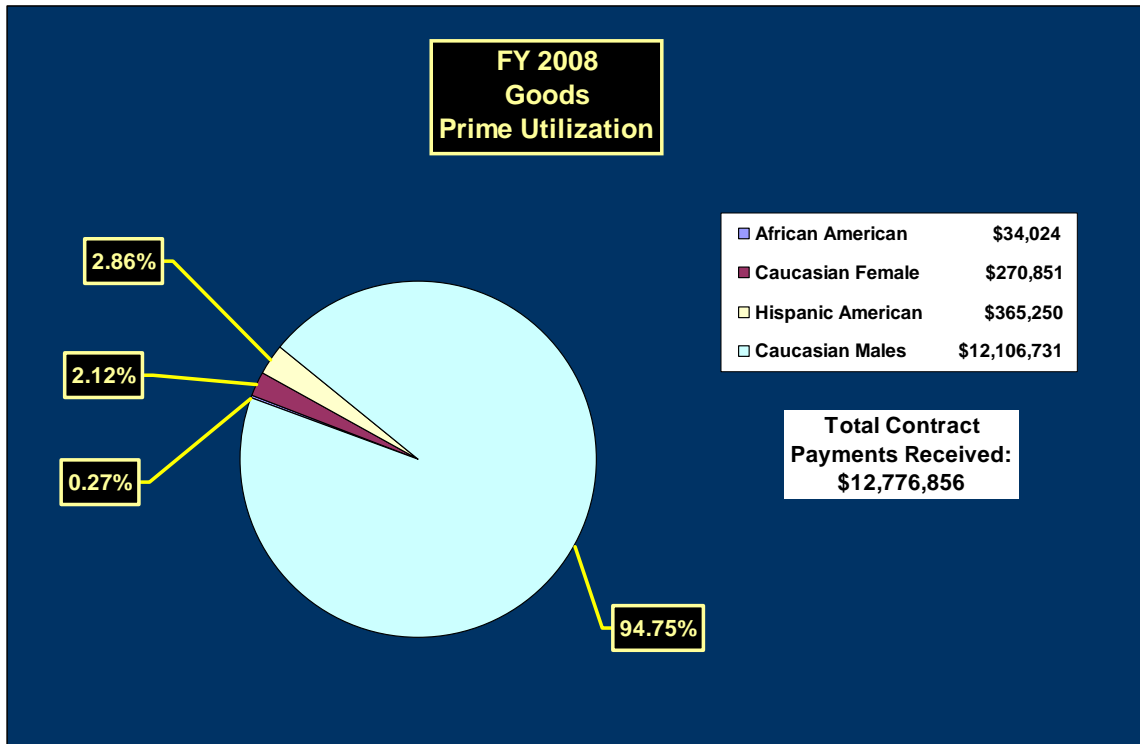
A 3: Continued (See Table 7)

Total payments for Prime Goods Contracts: \$12,776,856. Total WMBE Participation: \$670,125 or 5.25%.

| | |
|--------------------|-----------------------|
| Hispanic Americans | \$365,250 (2.86%) |
| Caucasian Females | \$270,851 (2.12%) |
| African Americans | \$34,024 (0.27%) |
| Caucasian Males | \$12,106,731 (94.75%) |

Asian Americans and Native Americans did not receive payments

Table 7



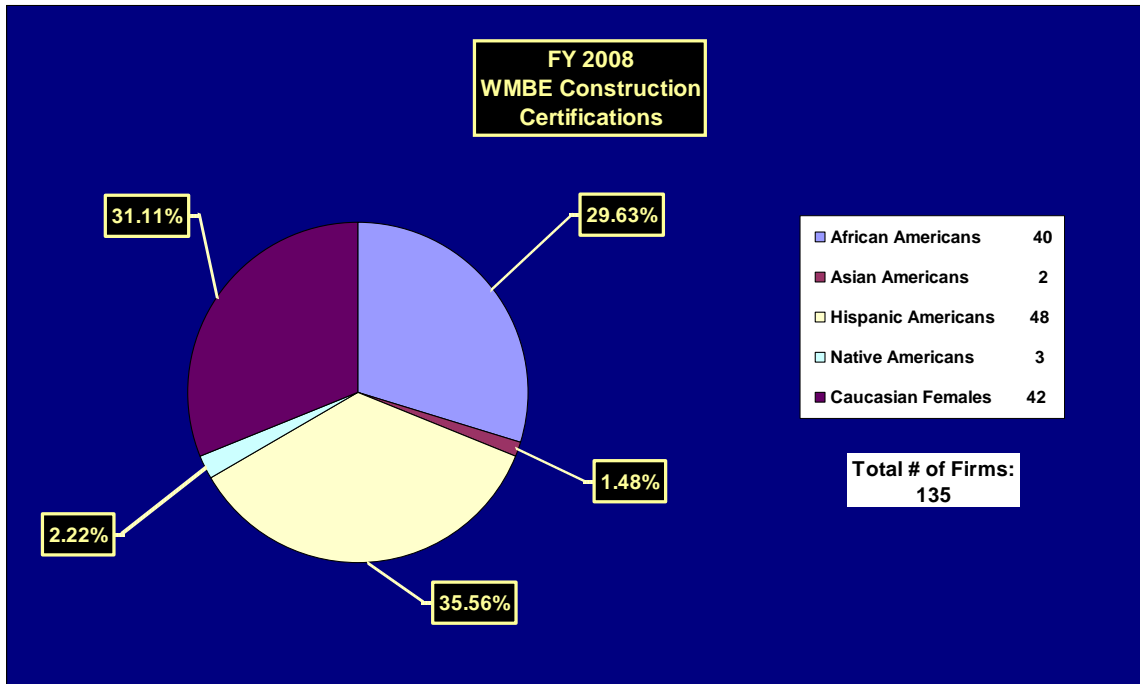
Q 9: What is the breakdown of certified firms in the WMBE Program?

A 9: See Table 8. Listed below is the WMBE Certifications breakdown in the five industry categories. Construction is the initial industry.

135 Available Certifications

| | |
|--------------------|-------------|
| Hispanic Americans | 48 (35.56%) |
| Caucasian Females | 42 (31.11%) |
| African Americans | 40 (29.63%) |
| Native Americans | 3 (2.22%) |
| Asian Americans | 2 (1.48%) |

Table 8

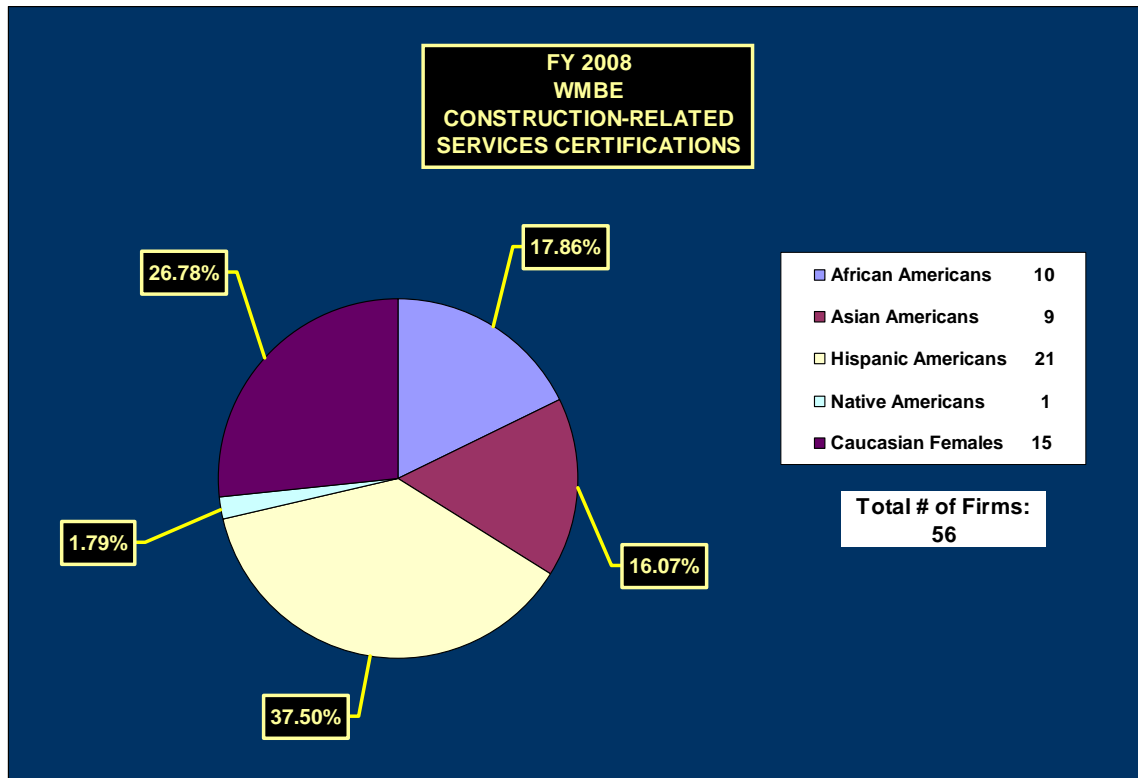


CONSTRUCTION-RELATED SERVICES: Table 9

56 Available Certifications

| | |
|--------------------|-------------|
| Hispanic Americans | 21 (37.50%) |
| Caucasian Females | 15 (26.78%) |
| African Americans | 10 (17.86%) |
| Asian Americans | 9 (16.07%) |
| Native Americans | 1 (1.79%) |

Table 9

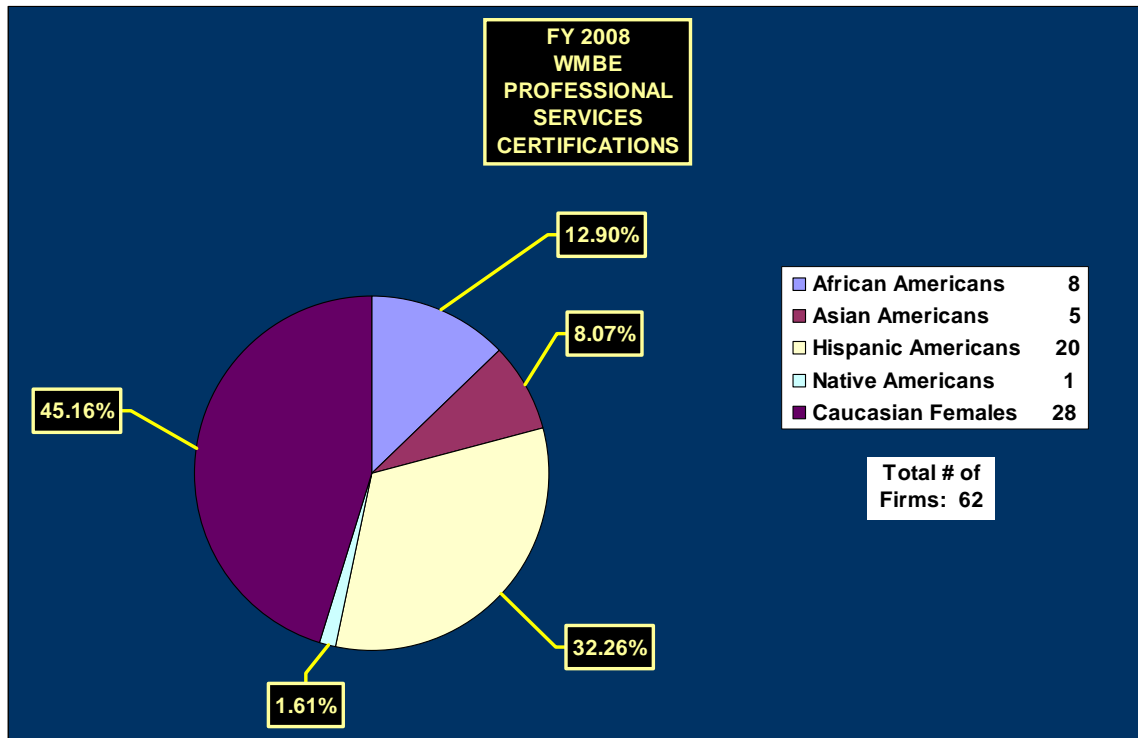


PROFESSIONAL SERVICES: Table 10

62 Available Certifications

| | |
|--------------------|-------------|
| Caucasian Females | 28 (45.16%) |
| Hispanic Americans | 20 (32.26%) |
| African Americans | 8 (12.90%) |
| Asian Americans | 5 (8.07%) |
| Native Americans | 1 (1.61%) |

Table 10

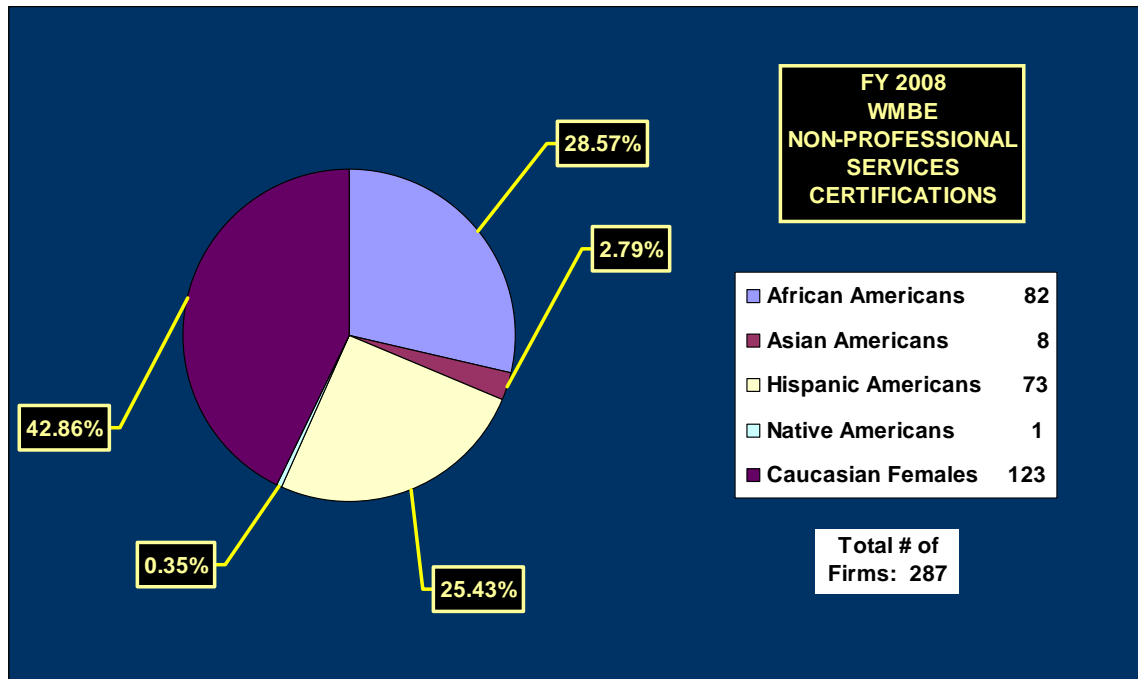


NON-PROFESSIONAL SERVICES: Table 11

287 Available Certifications

| | |
|--------------------|--------------|
| Caucasian Females | 123 (42.86%) |
| African Americans | 82 (28.57%) |
| Hispanic Americans | 73 (25.43%) |
| Asian Americans | 8 (2.79%) |
| Native Americans | 1 (0.35%) |

Table 11

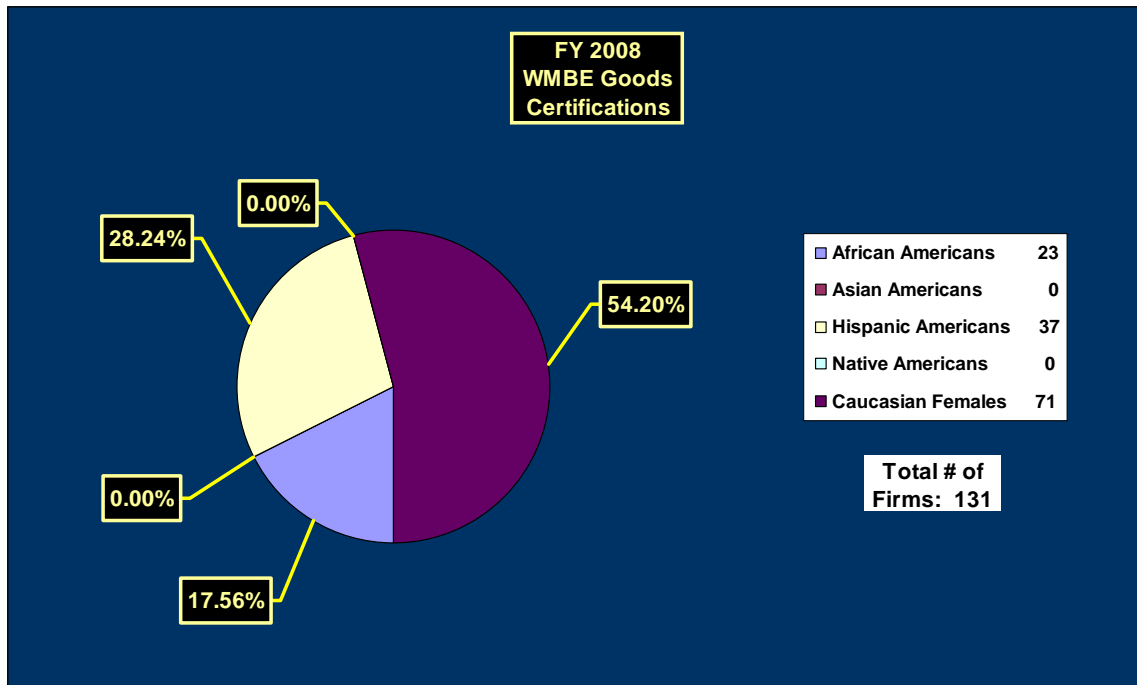


GOODS: Table 12

131 Available Certifications

| | |
|--------------------|-------------|
| Caucasian Females | 71 (54.20%) |
| Hispanic Americans | 37 (28.24%) |
| African Americans | 23 (17.56%) |
| Native Americans | 0 (0.00%) |
| Asian Americans | 0 (0.00%) |

Table 12



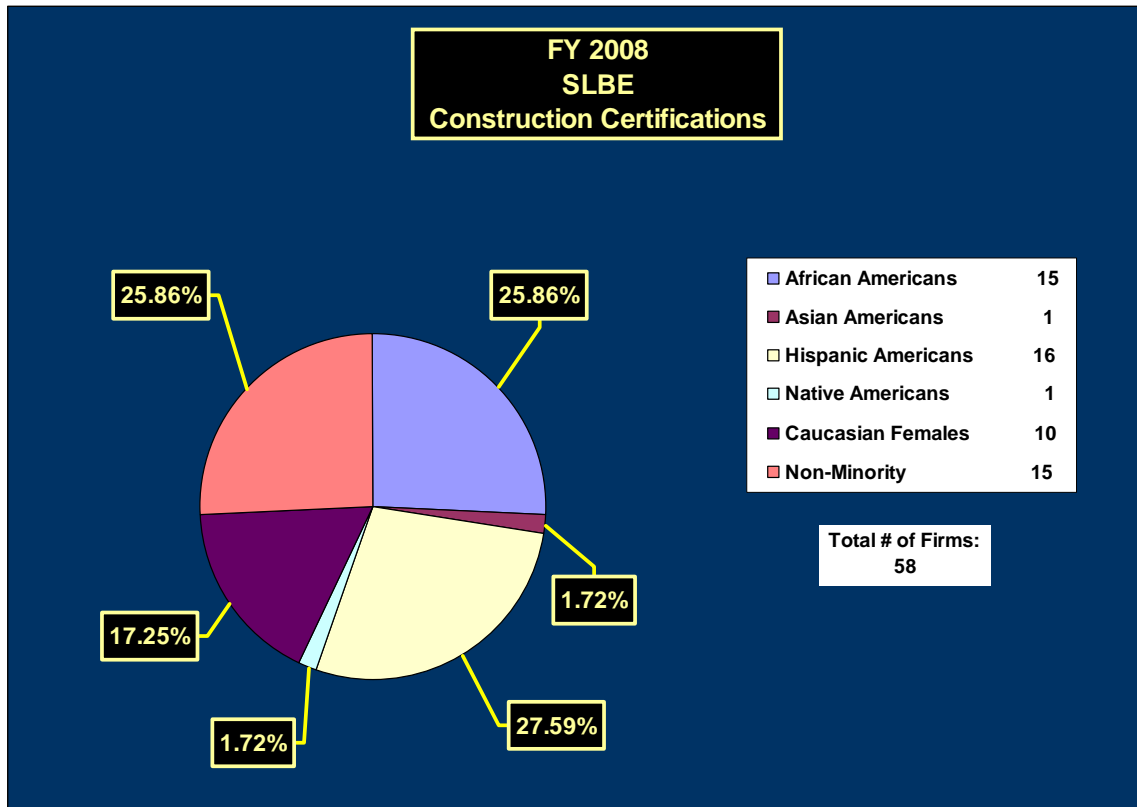
Q 10: What is the breakdown of certified firms in the SLBE Program?

A 10: See Table 13. Listed below is the SLBE Certifications breakdown in the five industry categories. Construction is the first industry.

58 Available Certifications

| | |
|--------------------|-------------|
| Hispanic Americans | 16 (27.59%) |
| African Americans | 15 (25.86%) |
| Caucasian Females | 10 (17.25%) |
| Native Americans | 1 (1.72%) |
| Asian Americans | 1 (1.72%) |
| Non-Minority | 15 (25.86%) |

Table 13

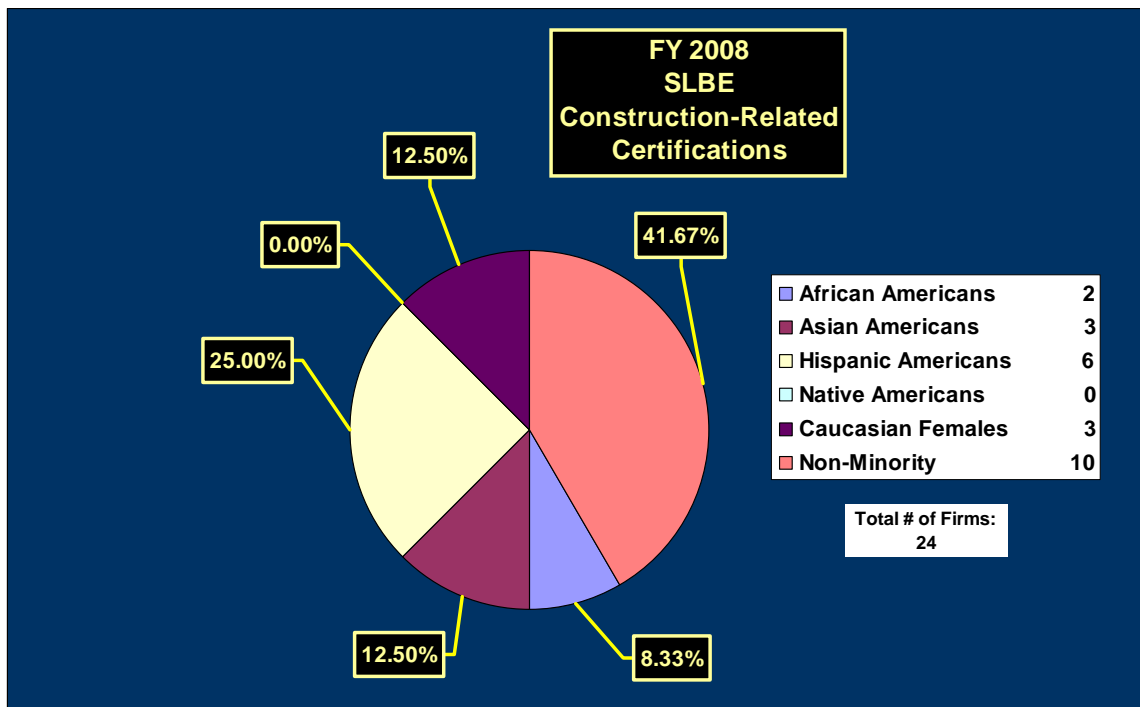


CONSTRUCTION-RELATED SERVICES (Table 14):

14 Available Certifications

| | |
|--------------------|-------------|
| Hispanic Americans | 6 (25.00%) |
| Asian Americans | 3 (12.50%) |
| Caucasian Females | 3 (12.50%) |
| African Americans | 2 (8.33%) |
| Native Americans | 0 (0.00%) |
| Non-Minority | 10 (41.67%) |

Table 14

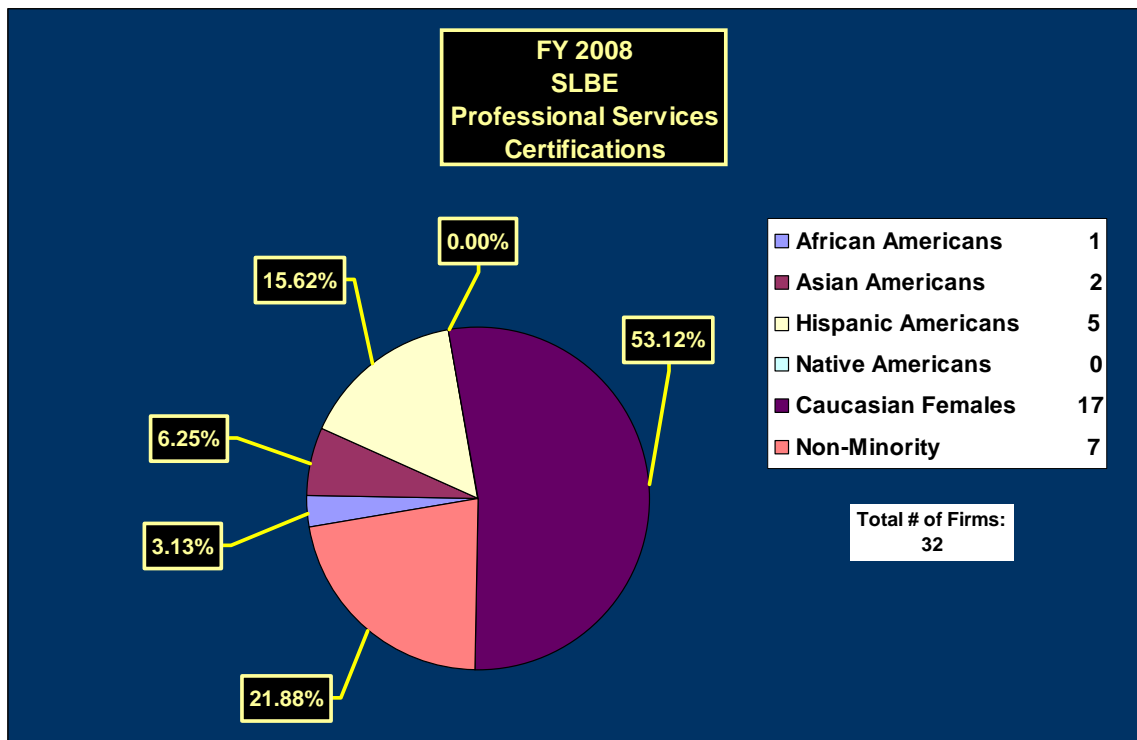


PROFESSIONAL SERVICES (Table 15):

32 Available Certifications

| | |
|--------------------|-------------|
| Caucasian Females | 17 (53.12%) |
| Hispanic Americans | 5 (15.62%) |
| Asian Americans | 2 (6.25%) |
| African Americans | 1 (3.13%) |
| Native Americans | 0 (0.00%) |
| Non-Minority | 7 (21.88%) |

Table 15

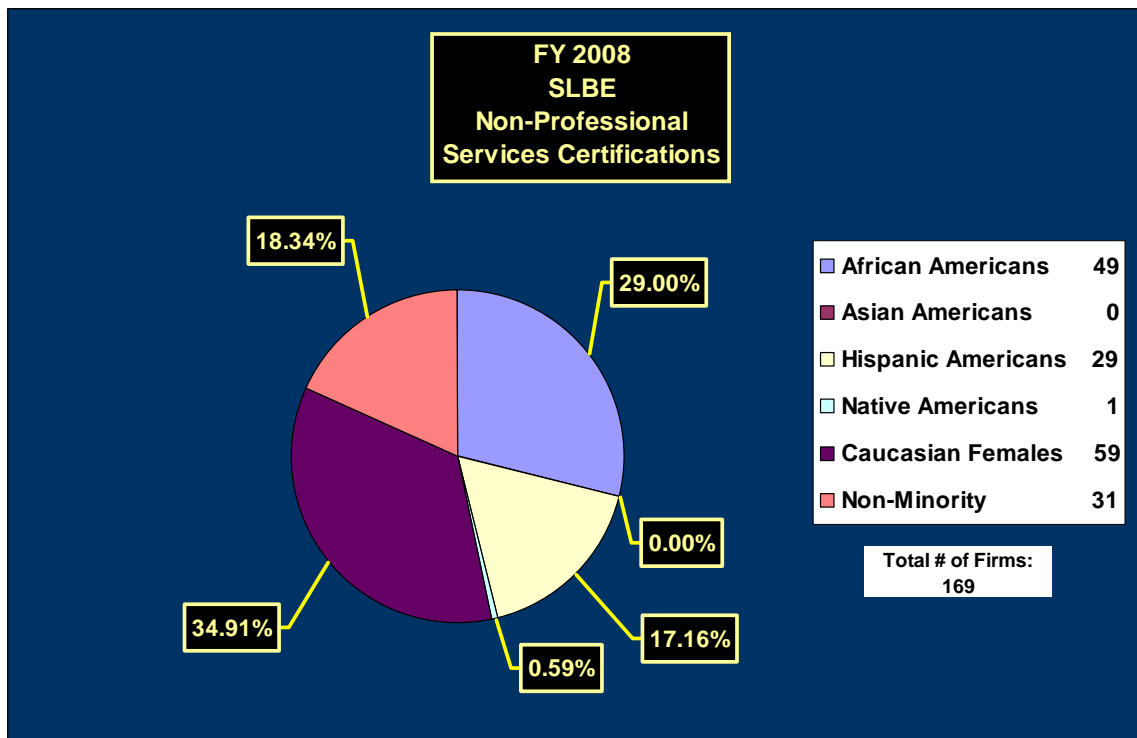


NON-PROFESSIONAL SERVICES (Table 16):

169 Available Certifications

| | |
|--------------------|-------------|
| Caucasian Females | 59 (34.91%) |
| African Americans | 49 (29.00%) |
| Hispanic Americans | 29 (17.16%) |
| Native Americans | 1 (0.59%) |
| Asian Americans | 0 (0.00%) |
| Non-Minority | 31 (18.34%) |

Table 16



GOODS (Table 17):

65 Available Certifications

| | |
|--------------------|-------------|
| Caucasian Females | 27 (41.54%) |
| African Americans | 15 (23.08%) |
| Hispanic Americans | 11 (16.92%) |
| Native Americans | 0 (0.00%) |
| Asian Americans | 0 (0.00%) |
| Non-Minority | 12 (18.46%) |

Table 17

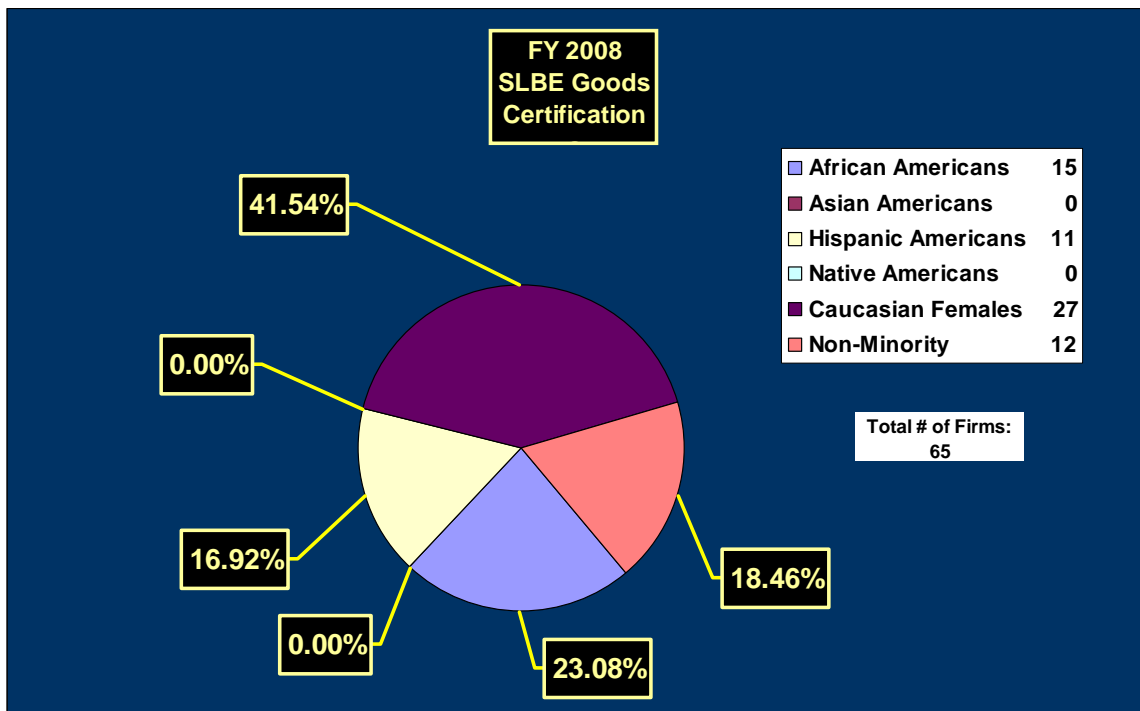


Table 18

| SHELTERED MARKET ANALYSIS | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------|------------------|-----------|-------------------|----------|----------------|-----------------|-----------------|----------|------------------|----------|--------------|------------|----------|------------|------------------|----------|-----------|------------------|-----------|------------|--------------------|
| Industry Categories | African American | | Hispanic American | | Asian American | | Native American | | Caucasian Female | | Non-Minority | | Totals | | | | | | | | |
| | Projects | Certs | Payments | Projects | Certs | Payments | Projects | Certs | Payments | Projects | Certs | Payments | Projects | Certs | Payments | | | | | | |
| Construction | 2 | 15 | \$206,030 | 0 | 16 | \$0 | 0 | 1 | \$0 | 1 | 10 | \$70,000 | 3 | 15 | \$145,000 | 6 | 58 | \$421,030 | | | |
| Construction-Related Services | 0 | 2 | \$0 | 1 | 6 | \$10,000 | 0 | 0 | \$0 | 1 | 3 | \$4,000 | 4 | 10 | \$34,000 | 6 | 24 | \$48,000 | | | |
| Professional Services | 0 | 1 | \$0 | 0 | 5 | \$0 | 0 | 0 | \$0 | 1 | 17 | \$150,000 | 0 | 7 | \$0 | 1 | 32 | \$150,000 | | | |
| Non-Professional Services | 3 | 49 | \$185,000 | 0 | 29 | \$0 | 0 | 1 | \$0 | 2 | 59 | \$150,000 | 1 | 31 | \$65,000 | 6 | 169 | \$400,000 | | | |
| Goods | 0 | 15 | \$0 | 0 | 11 | \$0 | 0 | 0 | \$0 | 0 | 27 | \$0 | 1 | 12 | \$100,000 | 1 | 65 | \$100,000 | | | |
| Totals | 5 | 82 | \$391,030 | 1 | 67 | \$10,000 | 0 | 6 | \$0 | 0 | 2 | \$0 | 5 | 116 | \$374,000 | 9 | 75 | \$344,000 | 20 | 348 | \$1,119,030 |

Table 19

Dual Certified SLBE Companies

| Ethnic/ Gender Group | CONSTRUCTION | | CONSTRUCTION-RELATED SERVICES | | PROFESSIONAL SERVICES | | NON-PROFESSIONAL SERVICES | | GOODS | | TOTAL SLBE/ WMBE AVAILABLE FIRMS |
|----------------------------|-----------------------------|--|----------------------------------|--|-----------------------------|--|------------------------------|--|-----------------------------|--|--|
| | SLBE/WMBE CERTIFICATIONS | PERCENT OF TOTAL SLBE CERTIFICATIONS | SLBE/WMBE CERTIFICATIONS | PERCENT OF TOTAL SLBE CERTIFICATIONS | SLBE/WMBE CERTIFICATIONS | PERCENT OF TOTAL SLBE CERTIFICATIONS | SLBE/WMBE CERTIFICATIONS | PERCENT OF TOTAL SLBE CERTIFICATIONS | SLBE/WMBE CERTIFICATIONS | PERCENT OF TOTAL SLBE CERTIFICATIONS | |
| African Americans | 15 | 4.31% | 2 | 0.57% | 1 | 0.29% | 49 | 14.08% | 15 | 4.31% | 82 |
| Asian Americans | 1 | 0.29% | 3 | 0.86% | 2 | 0.57% | 0 | 0.00% | 0 | 0.00% | 6 |
| Hispanic Americans | 16 | 4.60% | 6 | 1.72% | 5 | 1.44% | 29 | 8.33% | 11 | 3.16% | 67 |
| Native Americans | 1 | 0.29% | 0 | 0.00% | 0 | 0.00% | 1 | 0.29% | 0 | 0.00% | 2 |
| Caucasian Females | 10 | 2.87% | 3 | 0.86% | 17 | 4.89% | 59 | 16.95% | 27 | 7.76% | 116 |
| TOTALS | 43 | 12.36% | 14 | 4.02% | 25 | 7.18% | 138 | 39.66% | 53 | 15.23% | 273 |

Total Number of SLBE Certifications: 348 Firms

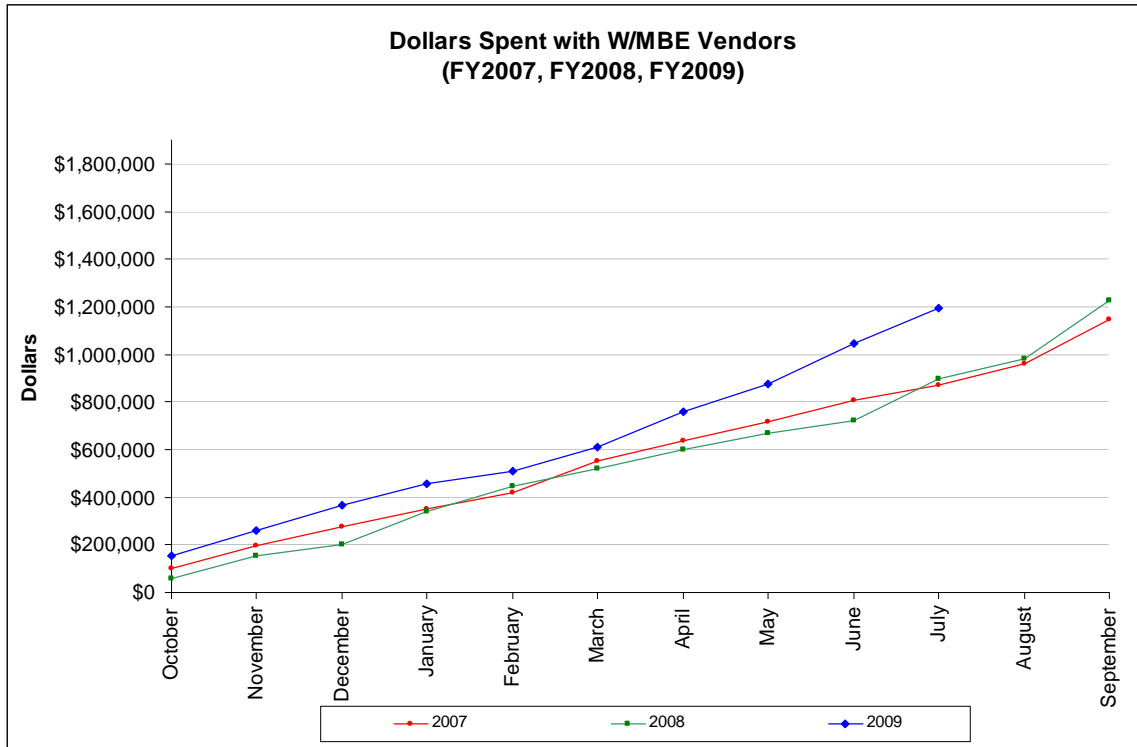
Table 20

CONSTRUCTION-RELATED SERVICES PARTICIPATION ANALYSIS

| | Number of Contracts Awarded | % of Awarded Contracts | Amount of Dollars Received | % of Dollars Received | Available WMBE Certifications | Available WMBE Certifications % | Available SLBE Certification | Available SLBE Certifications % |
|---------------------------------------|-----------------------------|------------------------|----------------------------|-----------------------|-------------------------------|---------------------------------|------------------------------|---------------------------------|
| African Americans | 5 | 3.79% | \$1,085,507 | 10.67% | 10 | 12.50% | 2 | 2.50% |
| Asian Americans | 2 | 1.52% | \$0 | 0.00% | 9 | 11.25% | 3 | 3.75% |
| Hispanic Americans | 8 | 6.06% | \$450,057 | 4.42% | 21 | 26.25% | 6 | 7.50% |
| Native Americans | 0 | 0.00% | \$0 | 0.00% | 1 | 1.25% | 0 | 0.00% |
| Caucasian Females | 14 | 10.61% | \$386,855 | 3.80% | 15 | 18.75% | 3 | 3.75% |
| Minority & Women Business Enterprises | 29 | 21.97% | \$1,922,419 | 18.90% | 56 | 70.00% | 14 | 17.50% |
| Caucasian Males | 103 | 78.03% | \$8,249,506 | 81.10% | N/A | N/A | 10 | 12.50% |
| TOTALS | 132 | 100.00% | \$10,171,925 | 100.00% | 56 | 70.00% | 24 | 30.00% |

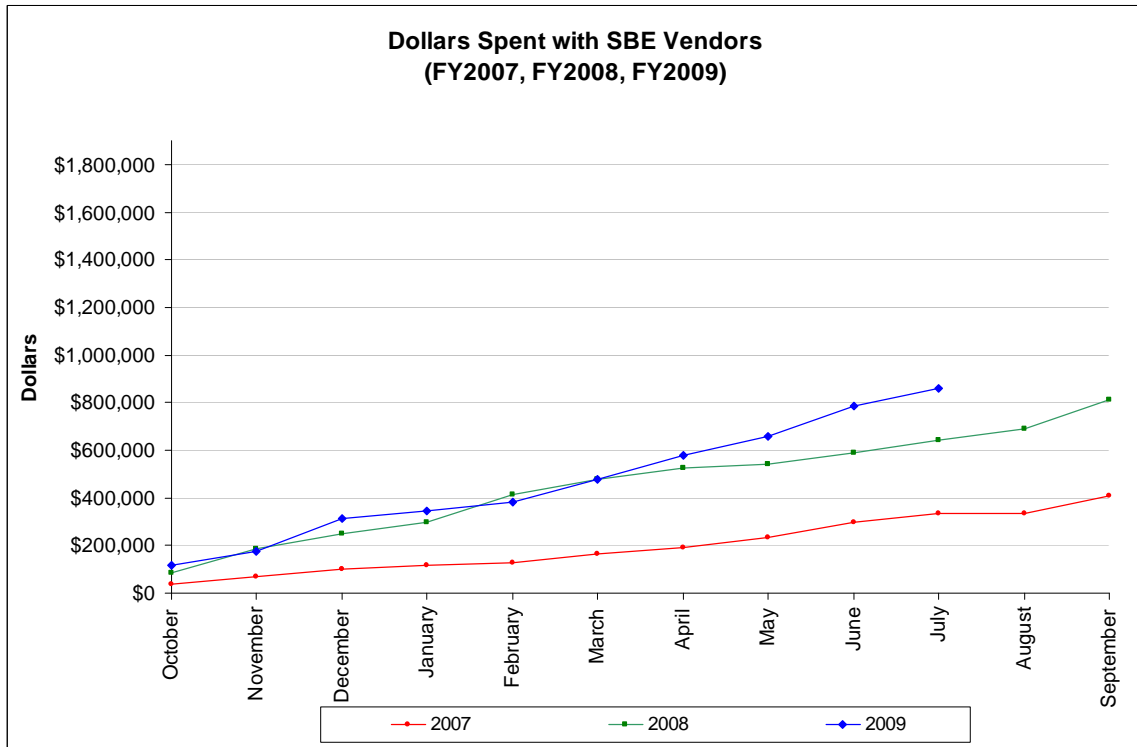
This chart demonstrates the direct relationship between the number of available certified SLBE and WMBE firms and the amount of utilization.

Table 21



This chart reflects how effective the new business practice has increased WMBE utilization.

Table 22



This chart reflects how effective the new business practice has increased SLBE utilization.